

## **IC 23-16-11**

### **Chapter 11. Derivative Actions**

#### **IC 23-16-11-1**

##### **Right of action**

Sec. 1. A limited partner may bring an action in the right of a limited partnership to recover a judgment in favor of the limited partnership if:

- (1) general partners with authority to bring such an action have refused to bring the action; or
- (2) an effort to cause those general partners to bring the action is not likely to succeed.

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-11-2**

##### **Proper plaintiff**

Sec. 2. In a derivative action under this chapter, the plaintiff must be a partner at the time of bringing the action, and:

- (1) the plaintiff must have been a partner at the time of the transaction of which the plaintiff complains in the action; or
- (2) the status of the plaintiff as a partner must have devolved upon the plaintiff, by operation of law or under the terms of the partnership agreement, from a person who was a partner at the time of the transaction.

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-11-3**

##### **Pleading**

Sec. 3. In a derivative action under this chapter, the complaint must set forth with particularity the effort of the plaintiff to secure initiation of the action by a general partner or the reasons for not making the effort to secure initiation of the action by a general partner.

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-11-4**

##### **Expenses**

Sec. 4. (a) If a derivative action under this chapter is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement of an action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, and shall direct the plaintiff to remit to the limited partnership the remainder of those proceeds received by the plaintiff.

(b) If the plaintiff is awarded damages in an action under this chapter, the court shall make the award of reasonable expenses payable out of the plaintiff's total award and direct the plaintiff to remit the balance of the total award to the limited partnership. However, if the damages awarded to the plaintiff are insufficient to reimburse the plaintiff's reasonable expenses, the court may direct

that part or all of the plaintiff's award of reasonable expenses be paid by the limited partnership.

*As added by P.L.147-1988, SEC.1.*